



# Legislative Audit Division

## Performance Audit Summary

### Examination of Coordination and Potential Consolidation of WIA and TANF Employment and Training Programs November 2003

#### Introduction

The Legislative Audit Committee requested a performance audit of the coordination of the state's employment and training programs. These programs assist individuals in finding employment or provide training to improve job skills that will make them more employable. In recent years, increased emphasis has been placed on coordination of services provided by these programs. Congress passed the Workforce Investment Act which required states to improve coordination of certain federally funded employment and training programs. In 2001, the Montana Legislature enacted legislation that requires coordination between employment and training programs administered by the Department of Labor and Industry (DLI) and the Department of Public Health and Human Services (DPHHS).

#### The Workforce Investment Act

The Workforce Investment Act (WIA) became effective July 1, 2000 and replaced the Job Training Partnership Act as the primary federally funded employment and training program. WIA consolidated several federal employment and training programs and made them "mandatory partners" in the newly reformed system in an effort to improve coordination of services among the programs. The intention of consolidating these programs within the WIA system was to make it easier for individuals and businesses to access job training information and services. Administration of WIA's employment and training system occurs at both the state and local levels. General program oversight is performed at the state level and is the responsibility of the DLI. In addition, the State Workforce Investment Board advises the governor on overall administration of WIA activities. Program services are provided and monitored at the local level. Local entities involved in these functions include local workforce investment areas, the Montana Job Training Partnership, Inc., and Community Management Teams.

#### WoRC Readiness Component Program

The federally funded Temporary Assistance for Needy Families (TANF) block grant funds public assistance programs for needy families. TANF was created as part of welfare reform in 1996 through passage of the Personal Responsibility and Work Opportunities Reconciliation Act. The DPHHS administers Montana's TANF program. In Montana, employment and training services are provided to TANF recipients through the Work Readiness Component (WoRC) program. The WoRC program is geared towards helping families become self-supporting and less reliant on public assistance. This is achieved through intensive case management services to TANF participants that focus on reducing participant barriers to employment. The primary goal of the program is for participants to obtain any type of employment. The program's general philosophy is families will become self-supporting if training, education, employment, and supportive services are provided.

#### WIA and WoRC Employment & Training Services Outcomes

January through March 2002  
(Based on LAD Sample Only)

<u>WIA Program</u>	
<u>Outcome</u>	<u>Percentage of Clients</u>
Job/self-employment	20%
Degree/certificate	12%
Degree/certificate & Employment	48%
No employment/dropped program	20%
<u>WoRC Program</u>	
Closed/sanction (no employment)	60%
Employment	20%
Referred to WIA	12%
Referred to other on-going services (SSI, chemical dependency treatment, etc)	8%
Source: WIA & WoRC case file reviews.	

## **WIA and WoRC Employment and Training Services are Coordinated**

Our first audit objective was to determine how effectively WIA and WoRC employment and training services are coordinated in the state. *Audit testing shows the employment and training system provides a mechanism to ensure the WIA and WoRC programs are coordinated.* Several audit conclusions were made related to WIA and WoRC employment and training services. Each conclusion is summarized below:

- *A system is in place for WIA to coordinate its employment and training programs. Coordination is accomplished through a variety of ways including Community Management Teams and one-stop service centers. The system also ensures coordination of services to outlying areas.*
- *The WoRC program is both a social service and an employment and training program. Audit work found the majority (24 of 25 files reviewed) of WoRC participants were referred to work experience or job search providers and also received social service assistance. Social services included assistance to address issues such as chemical dependency, mental health/medical needs, family problems, and limited education.*
- *Congress did not mandate the WoRC program to be part of WIA's employment and training system. However, the DLI, DPHHS, and local communities have taken measures to ensure the WoRC program is included with this system and that coordination occurs with WIA's employment and training programs.*

## **The WoRC Program Should Remain Within DPHHS**

Senate Bill 469 (Chapter 343) passed by the 2001 Legislature authorizes the governor to transfer, by executive order, DPHHS employment and training programs to DLI if coordination between their employment and training programs needs improvement. Our second audit objective evaluated the need and feasibility for WIA and WoRC employment and training services to be integrated within a single agency. Specifically, we evaluated whether administration of the WoRC program should be moved to DLI. To transfer the program, we determined three conditions needed to exist:

- Significant problems in coordination between WoRC and other employment and training programs, which would indicate a need for better communication and cooperation.

- High numbers of referrals between WoRC and other employment and training (i.e. WIA) programs that would indicate necessary services are at DLI.
- Program mission and objectives that do not relate to the department's, which would be an indication the WoRC program is not currently administered by the appropriate agency.

Our review found coordination between the WIA and WoRC programs was good. We also noted the number of participants referred between the programs was limited. And, because the WoRC program is also a social service program with an employment and training component, the program is a better fit within DPHHS rather than DLI. Since none of the three conditions existed indicating the WoRC program should be transferred to DLI, *we recommended the governor keep administration of the WoRC program within DPHHS.*

For a complete copy of the report (03P-06) or for further information contact the Legislative Audit Division at 406-444-3122; e-mail to [lad@mt.gov](mailto:lad@mt.gov); or check the web site at <http://leg.mt.gov/audit>.